

#### **SOFTWARE SOLUTIONS**

# Starting Smart with Oracle Advanced Analytics

Great Lakes Oracle Conference Tim Vlamis Thursday, May 19, 2016

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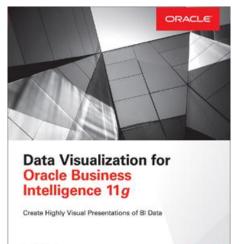
### **Vlamis Software Solutions**

- Vlamis Software founded in 1992 in Kansas City, Missouri
- Developed 200+ Oracle BI and analytics systems
- Specializes in Oracle-based:
  - Enterprise Business Intelligence & Analytics
  - Analytic Warehousing
  - Data Mining and Predictive Analytics
  - Data Visualization
- Multiple Oracle ACEs, consultants average 15+ years
- www.vlamis.com (blog, papers, newsletters, services)
- Co-authors of book "Data Visualization for OBI 11g"
- Co-author of book "Oracle Essbase & Oracle OLAP"
- Oracle University Partner
- Oracle Gold Partner





Specialized Oracle Business Intelligence Foundation Suite 11g



Dan Vlamis

Tim Vlami

ORACLE APPROVED





# **D** Tim Vlamis

#### **Vice President & Analytics Strategist**

- 30+ years in business modeling and valuation, forecasting, and scenario analyses
- Oracle ACE
- Instructor for Oracle University's Predictive Analytics, Data Mining Techniques and Oracle R Enterprise Essentials Courses
- Professional Certified Marketer (PCM) from AMA
- Adjunct Professor of Business Benedictine College
- MBA Kellogg School of Management (Northwestern University)
- BA Economics Yale University



### Presentation Agenda

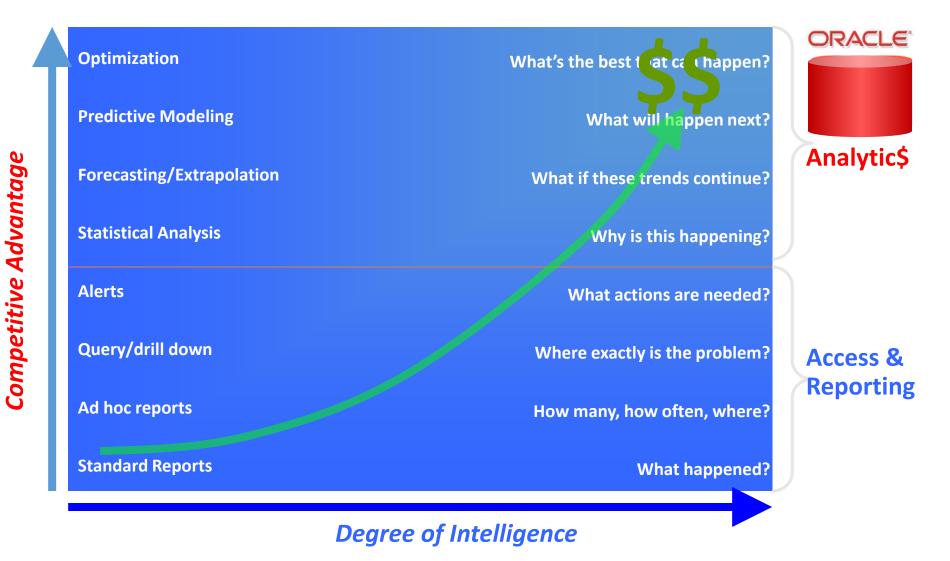
- Background on Analytic Options to the Oracle DB
- Oracle Advanced Analytics
  - Oracle Data Mining
  - Oracle R Enterprise
- How to start with OAA comparison of options

### **Spectrum of Oracle DB Analytics**

OLAP	Data Mining & R	Spatial			
Summaries, hierarchies and dimensional data	Knowledge discovery of hidden patterns	Spatial relationships between data			
"Analysis"	"Insight & Prediction"	"Location"			
What is the average income of mutual fund buyers, by region, by year?	Who is likely to purchase a mutual fund in the next 6 months and why?	Where were mutual funds purchased in the last 3 years?			



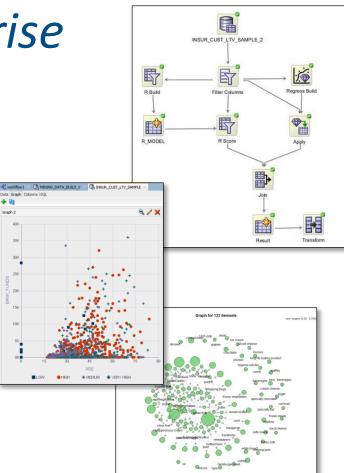
### **Competitive Advantage of BI & Analytics**



### Oracle Advanced Analytics (OAA) DB Option

Oracle Data Mining + Oracle R Enterprise

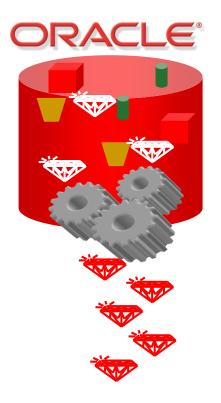
- Powerful in-database algorithms for Data Mining and Statistical Analysis
- Easy to add predictive analytics to enterprise applications and BI
- Fastest way to deliver scalable, enterprise-wide predictive analytics
- ORE eliminates R's limitations (memory and speed) for Enterprise-scale analytics





## What is Data Mining?

- Automatically sifts through data to find hidden patterns, discover new insights, and make predictions
- Data Mining can provide valuable results:
  - Predict customer behavior (Classification)
  - Predict or estimate a value (Regression)
  - Segment a population (Clustering)
  - Identify factors more associated with a business problem (Attribute Importance)
  - Find profiles of targeted people or items (Decision Trees)
  - Determine co-ocurrances and "market baskets" within an event set (Associations)
  - Find fraudulent or "rare events" (Anomaly Detection)



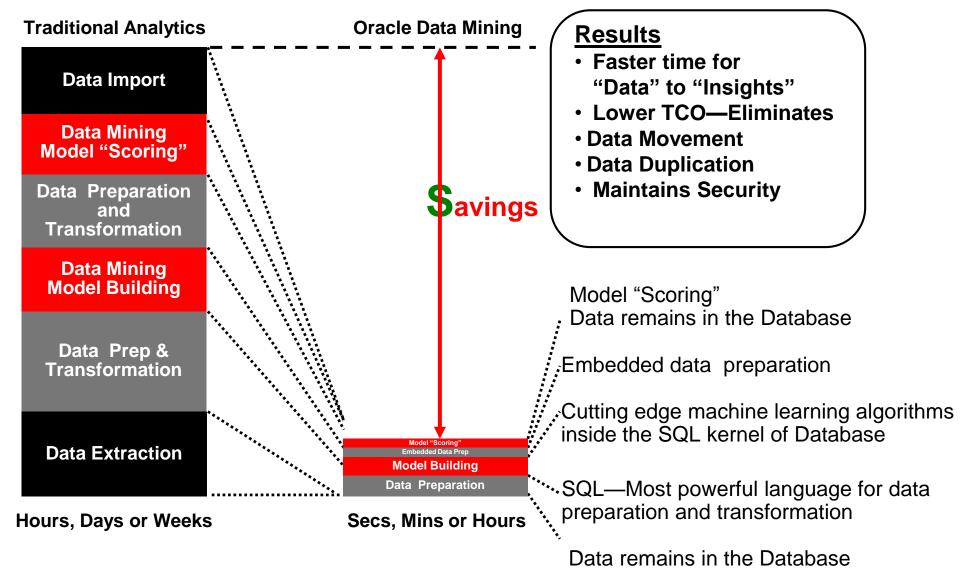


## Oracle Data Mining

- Oracle Data Mining is an option for the Enterprise Edition of the Oracle Database.
- A collection of APIs and specialized SQL functions.
- Includes a large number of specialized algorithms and built-in procedures.
- Makes use of many built-in capabilities of the Oracle Database
- ODM typically refers to "Oracle Data Mining"

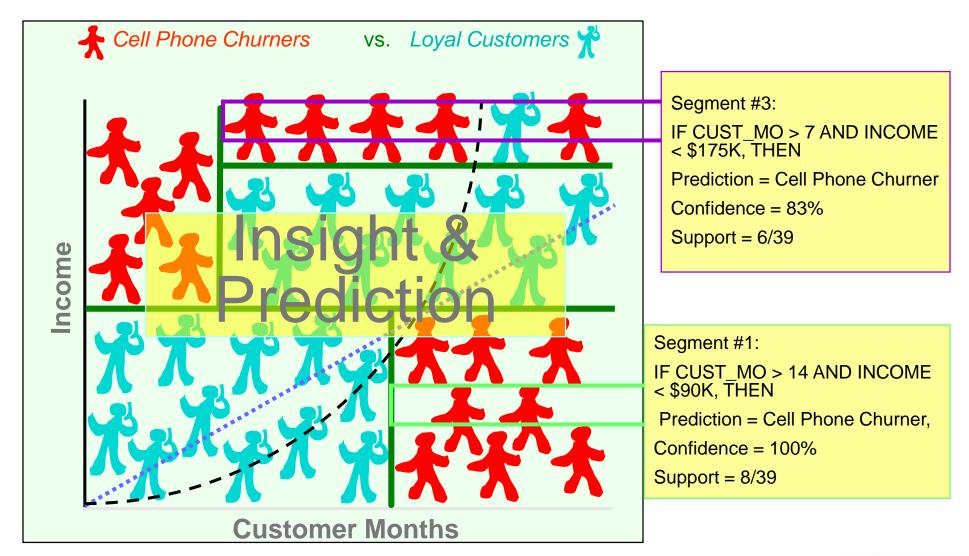


### In-Database Data Mining



### **Data Mining Provides**

Better Information, Valuable Insights and Predictions





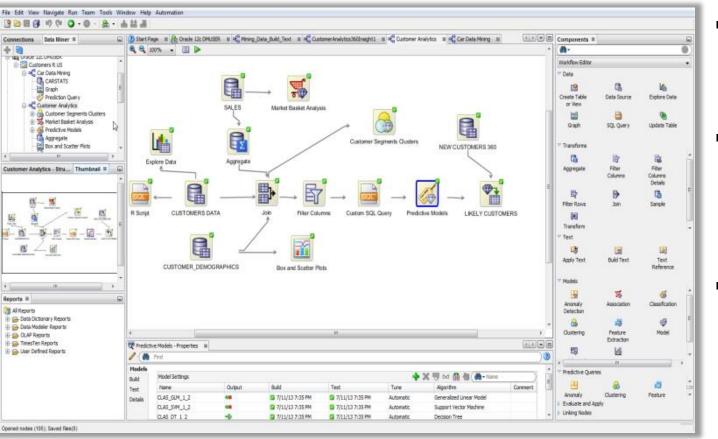
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Source: Inspired from *Data Mining Techniques: For Marketing, Sales, and Customer Relationship Management* by Michael J. A. Berry, Gordon S. Linoff

### Oracle Data Mining Algorithms

Problem	Algorithm	Applicability			
Classification	Logistic Regression (GLM) Decision Trees Naïve Bayes Support Vector Machine	Classical Statistical Technique Popular/Rules/Transparency Embedded app Wide/Narrow Data or Text			
Regression	Linear Regression (GLM Support Vector Machine	Classical Statistical Technique Wide/Narrow Data or Text			
Anomaly Detection	One Class SMV	Unknown fraud cases or anomalies			
Attribute Importance	Minimum Description Length Principal Component Analysis	Attribute reduction Reduce data noise			
Association Rules	Apriori	Market Basket Analysis			
Clustering	Hierarchical K-Means Orthogonal Partitioning Expectation Maximization	Market Segmentation Product / Location Groupings Text analysis			
Feature Extraction $\bullet$ $\bullet$ $\bullet$ $\bullet$ $\bullet$	Non-negative Matrix Factorization Singular Value Decomposition	Feature Reduction Text Analysis			

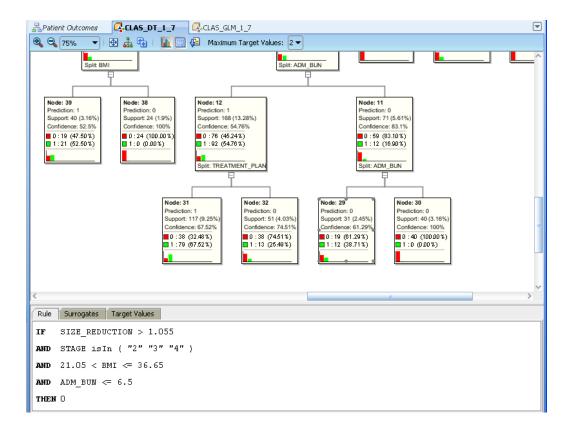
### **Oracle Data Miner**



- Easy to Use
  - Oracle Data Miner GUI for data analysts
  - "Work flow" paradigm
- Powerful
  - Multiple algorithms & data transformations
  - Runs 100% in-DB
  - Build, evaluate and apply models
- Automate and Deploy
  - Save and share analytical workflows
  - Generate SQL scripts for deployment



### **Understand Model Details**



#### Interactive model viewers

arget Value: 1	•		<u>F</u> etch Size:			
Coefficients: 297 out of 297				<del>30</del> -		
Attribute	Value	Coefficient	Standardized Coeffici	Exp(Coefficient)		
<intercept></intercept>	NULL	-1.83481346	0	6.26396556		
TREATMENT_PLAN	Chemo_only	-0.46 <mark>513283</mark>	0.11735002	1.59222567		
WEEKDAY	W	-0.40697858	0.0869471	1.50227193		
WEEKDAY	Th	-0.34941526	0.05883753	1.418238		
RECURRENT	1	-0.33993936	0.07348783	1.4048624		
STAGE	3	0.29916993	-0.06150948	0.74143341		
REQ_CHEMO	1	0.29378459	-0.06262496	0.74543705		
REQ_CHEMO	0	-0.26376819	0.05597178	1.30182638		
V_PAINMED	DEM	-0.26085980	0.036163	1.29804567		
TREATMENT_PLAN	Chemo&Radiation	-0.25534174	0.03324906	1.2909027		
TYPE_PROCED	closed	0.25466832	-0.01992872	0.77517356		
PREOP_GI_MED	1	0.25194913	-0.06873117	0.77728428		
MALIGNANCY	1	0.24061736	-0.05486614	0.78614238		
QUARTER	А	0.23306129	-0.05746447	0.79210502		
5IZE_REDUCTION	NULL	0.22915110	-0.15356344	0.79520837		
TYPE_PROCED	1	-0.22759025	0.03846051	1.25557075		
EPIDURAL	1	-0.22715954	0.05119796	1.25503009		
INSURANCE	В	0.21168257	-0.05517357	0.80922152		
OR_TRANSFUSIONS	1	0.20613024	-0.0550411	0.81372709		
TYPE_ABX	Cipro	0.20248206	-0.02044382	0.81670114		
EKG	SB	0.19228831	-0.02216336	0.82506896		
IV_PAINMED	TORD	-0.19105185	0.01912802	1.21052222		
INCISION	KNEE	-0.18882816	0.01878139	1.20783338		
INSURANCE	С	0.18859100	-0.02710814	0.82812514		
WT_LOSS_TIME	NULL	-0.17535293	0.11368976	1.19166672		



### Oracle Data Mining & OBI 11g

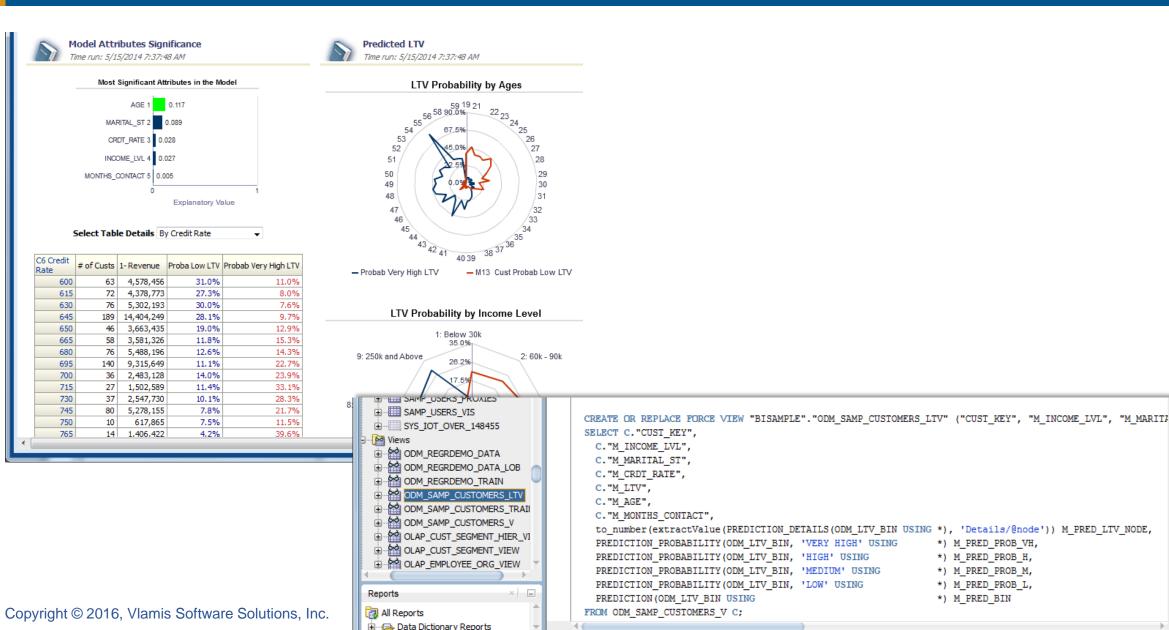
TV Prediction LTV Details Classification Tree LTV Probabili	ities What If	Scoring O	DM's	prec	dictions &	ар				
Classification Tree			probabilities are available in							
Page Information (dick to collapse or expand)					se for repoi					
Classification Tree Time run: 12/9/2011 1:03:03 PM		u		Dracle	e BI EE an	0				
20 Actual Unit Price							Predicted	# of 1-		
		2008	2009	2010	Grand	# M23 Full Rule	LTV	(C. 73) (S.	evenue Tre	end
🗆 0 - All Individuals	MEDIUM	9,302			Total 9.331	M_MARITAL_ST in 'DIVORCED', 'SINGLE' ; 12 AND M_CRDT_RATE <= 657.5;	MEDIUM	0	1	~
1 - M_MARITAL_ST in 'DIVORCED', 'SINGLE'	MEDIUM	9.207	9.329	♥ 9.421	9.322	AND M INCOME LVL in 'LEVEL 5', 'LEVEL 6', M_MARITAL ST in 'DIVORCED', 'SINGLE' ;				
2 - M_CRDT_RATE <= 657.5	LOW	9.225			9.261	13 AND M_CRDT_RATE <= 657.5;	LOW	0	1	
12 - M_INCOME_LVL in 'LEVEL 5', 'LEVEL 6', 'LEVEL 7', 'LEVEL 8', 'LEVEL 9'	MEDIUM	8.904	9.131	9.670	9.261	AND M INCOME LVL in 'LEVEL 1', 'LEVEL 2',	-			-
13 - M_INCOME_LVL in 'LEVEL 1', 'LEVEL 2', 'LEVEL 3', 'LEVEL 4'	LOW	9.345	9.176	9.259	9.261	M_MARITAL_ST in 'DIVORCED', 'SINGLE'; 14 AND M_CRDT_RATE > 657.5;	VERY HIGH	0	1	
3 - M_CRDT_RATE > 657.5	MEDIUM	9,193	9.462	9.454	9.370	AND M MONTHS CONTACT <= 12.5	-			-
14 - M_MONTHS_CONTACT <= 12.5	VERY HIGH	8.815	9.418	8,690	8.951	M_MARITAL_ST in 'DIVORCED', 'SINGLE'; 15 AND M_CRDT_RATE > 657.5;	MEDIUM	0		N
	MEDIUM	9,242	9.468	9.543	9.421	AND M MONTHS CONTACT > 12.5;				_
1 7 - M_MARITAL_ST in 'MARRIED', 'WIDOW'	HIGH	9.397	9.276	9.343	9.341	M_MARITAL_ST in 'DIVORCED', 'SINGLE' ; 16 AND M_CRDT_RATE > 657.5;	LOW	0	1	~
1-Revenue						AND M MONTHS CONTACT > 12.5;	*			
		2008	2009	2010	Grand	M_MARITAL_ST in 'DIVORCED', 'SINGLE' ; 17 AND M_CRDT_RATE > 657.5; AND M_MONTHS_CONTACT > 12.5;	🔹 📀 MEDIUM	0	/	$\wedge$
∃ 0 - All Individuals	MEDILIM	16 500 000	15 000 000	10 500	Total	M_MARITAL_ST in 'DIVORCED', 'SINGLE' ;				Λ
O - All Individuals I - M MARITAL ST in 'DIVORCED', 'SINGLE'	MEDIUM	8,155,247	7,589,50		000 50,000,000 ,014 25,033,766	18 AND M_MONTHS_CONTACT > 12.5; AND M INCOME LVL in 'LEVEL 1', 'LEVEL 2',	- HIGH	18	48,866	2
- 2 - M CRDT RATE <= 657.5	LOW	3,560,875	3,340,550		,646 10,917,071	M_MARITAL_ST in 'MARRIED', 'WIDOW' ;	A			λ
12 - M_INCOME_LVL in 'LEVEL 5', 'LEVEL 6', 'LEVEL 7', 'LEVEL 8', 'LEVEL 9'	MEDIUM	938,983	889,05		,016 <b>3,017,058</b>	19 AND M_INCOME_LVL in 'LEVEL 1', 'LEVEL 2', 'LEVEL 3', 'LEVEL 4' ;	← ● MEDIUM	0		
13 - M INCOME LVL in 'LEVEL 1', 'LEVEL 2', 'LEVEL 3', 'LEVEL 4'	LOW	2,621,892	2,451,49	1 2,826	,630 <b>7,900,013</b>	M_MARITAL_ST in 'MARRIED', 'WIDOW' ; 20 AND M INCOME LVL in 'LEVEL 1', 'LEVEL 2',	A HIGH	0	1	~

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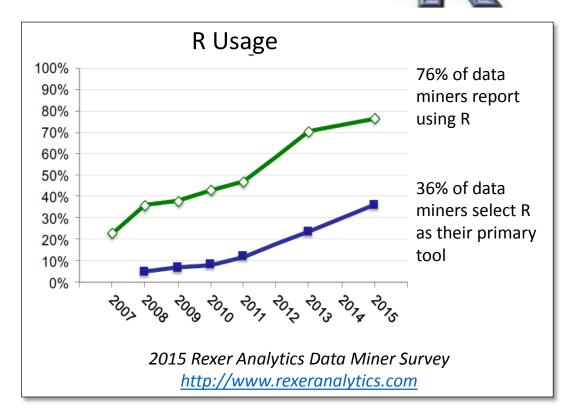
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## Dynamically Using ODM From Oracle BI



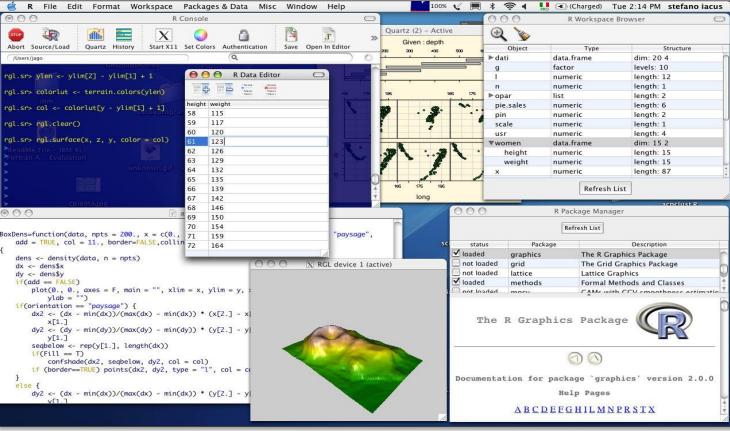
- An Open Source scripting language and environment for statistical computing and graphics <u>http://www.R-project.org/</u>
- Popular alternative to SAS, SPSS & other proprietary statistical environments
- 2 million+ users worldwide and growing
- Thousands of R packages available
- Taught extensively in higher education





#### R is extensively used by Statisticians, Data Analysts, Students

- Free (Open source)
- Graphical
- Powerful
- Extensible
- Ease to install and use
- Industry/subject specific packages
- Out-of-the-box functionality with many 'knobs', but smart defaults





Oracle's R Technologies

Oracle R Distribution

ROracle

Open Source Software available to R Community for free

- Oracle R Enterprise (ORE)
- Oracle R Advanced Analytics for Hadoop (ORAAH)
- Oracle R Connector for Hadoop (ORCH)



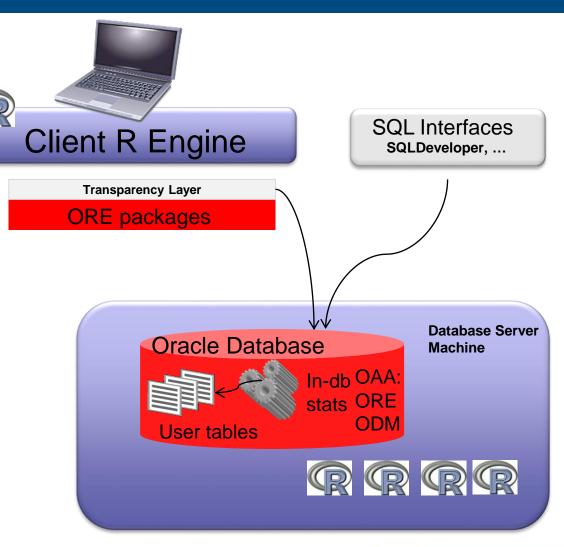
## Oracle R Enterprise

- Oracle R Enterprise (ORE) is a component of the Oracle Advanced Analytics (OAA) option to Oracle Database EE
- Provides transparent access to database-resident data from R
- Execute R scripts at the database machine managed by Oracle Database with data and task parallelism
- Execute R scripts from SQL
- Integrates R into the IT software stack
- Extends and enhances open source R



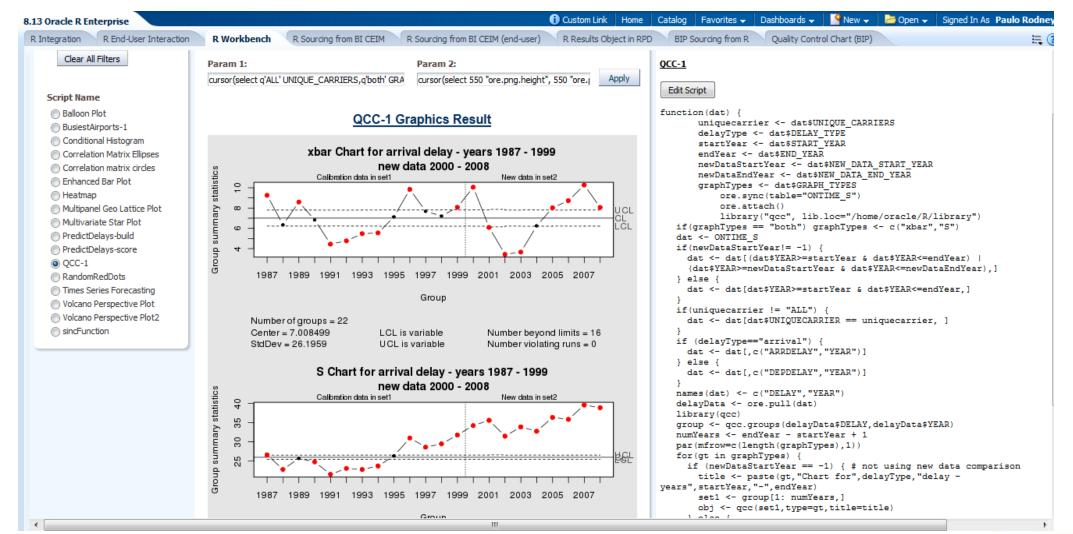
### **Oracle R Enterprise**

- A comprehensive, database-centric environment for end-to-end analytical processes in R, with immediate deployment to production environments
- Operationalize entire R scripts in production applications eliminate porting R code
- Seamlessly leverage Oracle Database as an HPC environment for R scripts, providing data parallelism and resource management
- Avoid reinventing code to integrate R results into existing applications
- Transparently analyze and manipulate data in Oracle Database through R using versatile and customizable R functions
- Eliminate memory constraint of client R engine
- Score R models in Oracle Database
- Execute R scripts through Oracle Database server machine for scalability and performance
- Get maximum value from your Oracle Database and Exadata
- Enable integration and management through SQL
- Integrate R into the IT software stack, e.g. OBIEE



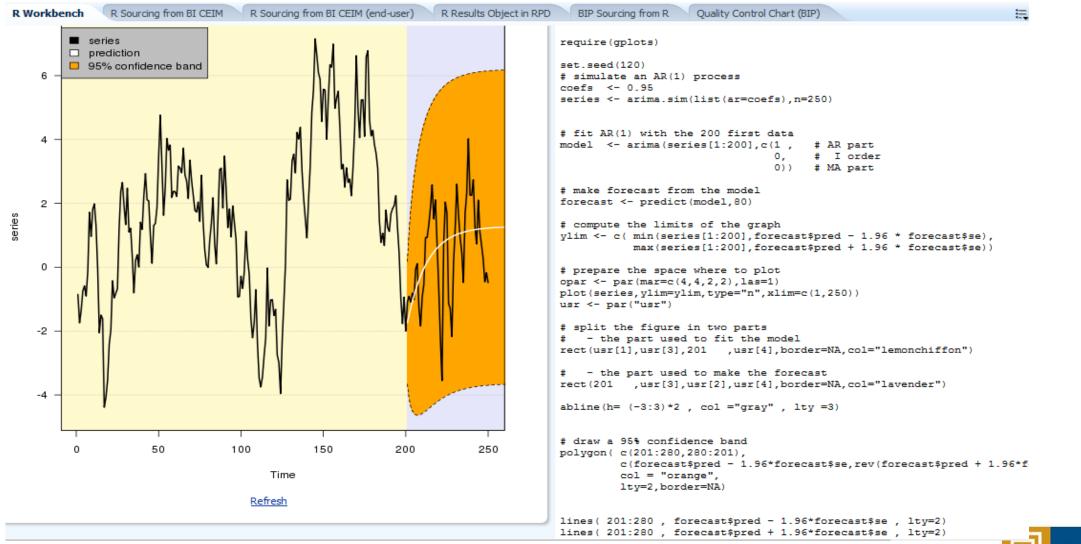


### R now integrated into OBIEE 11g and 12c

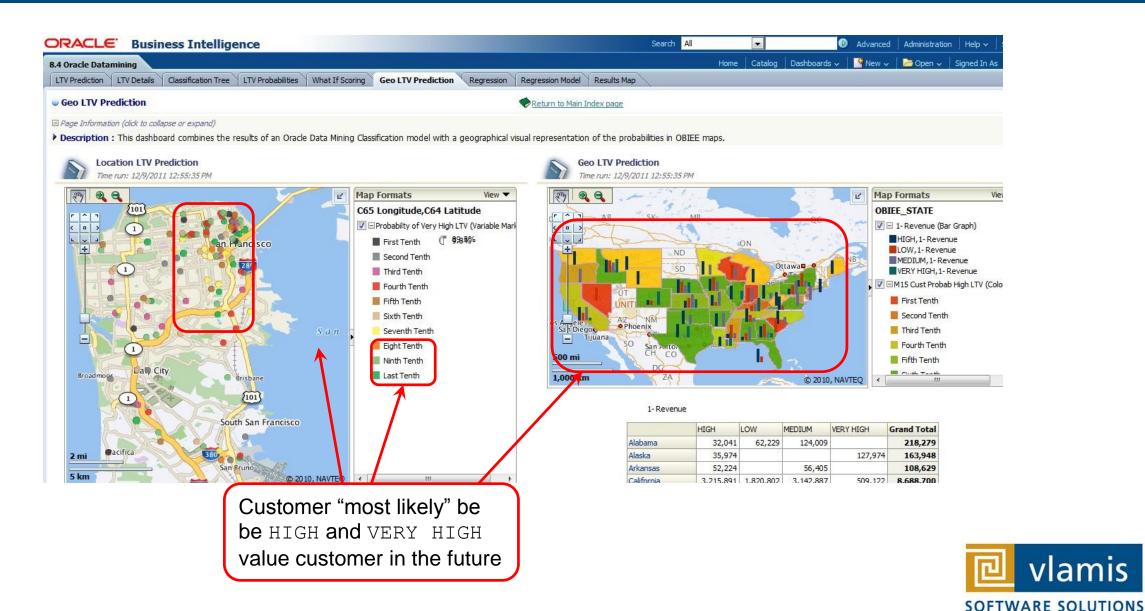




### R now integrated into OBIEE 11g and 12c



### **Oracle Advanced Analytics & Spatial**



### 5 Common use cases for predictive analytics

- 1) Customer Segmentation using Clustering algorithms
  - Discovered patterns can be extremely meaningful
  - Able to include hundreds of dimensions
  - Great first project
- 2) Predict Lifetime Customer Value
  - Measure impact of different product purchases on LCV
  - Promote and incentive profitable purchases



### 5 Common use cases for predictive analytics

- 3) Market Basket Analysis for retailers and warehouses
  - Understand purchasing and picking patterns
- 4) Employee Retention analysis
  - Classify employees into basic categories
  - Understand impact of different incentives and rewards
- 5) Optimize Customer Service and Next Best Offer
  - Use decision trees to determine rules for customers
  - Dramatically increase effectiveness of offers



### Basic Ways to Get Started

- Do a POC project on your own
- Conduct a workshop for key stakeholders to build support
  - One hour to one day
  - Half-day works great
- Conduct ODM and ORE training classes with 1-day workshop
- Use a defined Quick Start program (2 weeks)



## ODM Quick Start Overview

#### Hardware or Cloud

- Oracle Database Appliance/Oracle Database Cloud Service
- Software
  - Oracle Database 12c (with options)
  - Oracle Advanced Analytics Option including Oracle Data Mining
  - Oracle SQL Developer: Data Miner Add-in (free download)
- Services
  - Implementation and configuration from Vlamis Software Solutions (Oracle Gold Partner)
  - Oracle University Oracle Data Mining Techniques course (taught by Vlamis Software Solutions)
  - Market Basket Analysis Project performed on company data
- Time frame: 9 business days (less than 2 weeks)



### **Quick Start Compressed Schedule**

- Day 1:
  - Two consultants meet with client team to review project plan, review data sources, identification of best data to start with, set technical objectives for project (basic market basket analysis deliverable)
- Day 2:
  - Consultant One: Install ODA and configure to network (need support from client tech staff)
  - Consultant Two: Conduct first day of ODM class with client team
- Day 3:
  - Consultant One: Install new pluggable Database, SQL Developer
  - Consultant Two: Conduct second day of ODM class with client team
- Day 4:
  - Two consultants establish data plan for project with client and import data
- Day 5:
  - Consultant One: Prepare tables for mining (add keys, new tables, transforms, etc.)
  - Consultant Two: Document data plan
- Day 6:
  - Consultant Two: Build market basket workflow
- Day 7:
  - Consultant Two: Conduct market basket analyses
- Day 8:
  - Consultant Two: Prepare presentation of findings from market basket analyses
- Day 9:
- Consultant Two: Deliver presentation with client Copyright © 2016, Vlamis Software Solutions, Inc.



## Important Factors in Getting Started

- Lots of internal experts and people who would like to be involved and learn
- Lots of people intimidated by what they don't know
- Start by "level setting" and establishing a strong foundation
  - Bring people along on the journey, establish culture
  - Everyone shares a minimum common knowledge base
- Use workshops (JAD style session) for investigation of possibilities
  - Evaluation of data sources and data sets
  - Recognition of major business issues
  - Review of basic algorithms
  - Identification of potential PoC projects (plusses and minuses)
- Decide on pilot projects and who works on it
- Start simple and return value quickly



## Oracle Data Mining Training (2 days)

- Introduction
- Data Mining Concepts and Terminology
- The Data Mining Process
- Introducing Oracle Data Miner 11g Release 2
- Using Classification Models
- Using Regression Models
- Using Clustering Models
- Performing Market Basket Analysis
- Performing Anomaly Detection
- Deploying Data Mining Results



## Oracle R Enterprise Training (2 days)

- Oracle R Enterprise technologies introduction
- Introduction to R hands-on
- ORE transparency layer with hands-on exercises
- ORE embedded R execution with hands-on exercises
- ORE predictive analytics with hands-on exercises
- Using ROracle
- Overview of ORE with OBIEE



#### **Comparison of Training Courses**

#### **Oracle Data Mining**

- Organized by algorithm
- Intro to data mining
- MBAs, BI Admin, DBAs
- Focused on business issues
- Uses GUI
- Approachable for new users

#### **Oracle R Enterprise**

- Organized by process
- Intro to Oracle R Enterprise
- Data Scientists, BI Admin, DBAs
- Focused on executing R in Oracle Database
- Uses R scripts
- Technical





- Free to try Oracle BI, Advanced Analytics Go to <u>www.vlamis.com/td</u>
- Runs off of Oracle Cloud
- Test Drives for:
  - Oracle BI
  - Oracle Advanced Analytics
- Once sign up, you have private instance for one day
- Available now



### Drawing for Free Book

# Add business card to basket or fill out card



#### Data Visualization for Oracle Business Intelligence 11g

Create Highly Visual Presentations of BI Data

Dan Vlamis Oracle ACE Director

**Tim Vlamis** 





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### Data Visualization for Oracle Business Intelligence

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